



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Scheduled Report - public distribution

Date: 4/28/1999

GAIN Report #JA9054

Japan

Citrus

Citrus Semi-Annual Report

1999

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Report Highlights:

U.S. exports of fresh grapefruit to Japan are expected to rise 10 percent in MY 1998/99 to more than 10 million cartons, boosted by abundant supplies of good quality fruit from Florida. Japanese imports of oranges are expected to fall 6 percent as reduced supplies due to the December freeze in California more than offset higher than normal volumes in October and November. Imports of frozen concentrate orange juice are expected lower in 1998/99 due reduced supplies from Brazil.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Semi-Annual Report
Tokyo[JA1], JA

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Consumption

Fresh Oranges

Consumption of imported fresh oranges so far in Marketing Year 1998/99 (Oct-Feb.) dropped 30 percent from the same period in the previous year. Reduced imports due to the December freeze in California's Central Valley well more than offset strong sales in October and November. The sales decline was most dramatic in January and February, down 60 percent from the year before. More recently, fresh orange consumption has been rebounding, with rising shipments from Florida, Mexico and Spain.

Currently, major Tokyo-area supermarkets are marketing U.S. navel oranges at 138-158 yen (\$1.15-\$1.31) per piece for a medium-size California navel, and 380-400 (\$3.16-\$3.33) for a bag of six small-size oranges. U.S. Valencia prices are roughly 100 yen (\$0.83) per piece for a medium-size Florida Valencia, and approximately 300 yen (\$2.50) for a bag of six small-size oranges. Spanish navel oranges are sold at 138-148 yen (\$1.15-\$1.23) per piece for a medium-size orange, and approximately 500 yen (\$4.16) for a bag of five oranges.

Fresh Grapefruit

Japanese consumption of fresh grapefruit for the October-February 1998/99 period fell nearly 10 percent, due primarily to reduced shipments of Sweeties from Israel (down 38% from the previous season). However, consumption for the full 98/99 marketing year is projected to rise 9 percent from 97/98 to 250,000 tons, as an abundant supply of Japan-quality fruit in Florida will result in a solid recovery from poor sales last year.

Post estimates of Japan's consumption of fresh grapefruit for the full 1998/99 season is approximately 250,000 metric tons, up approximately 9 percent from sales in the previous year.

Tokyo supermarkets are currently selling Florida grapefruit at 100-138 yen (\$0.83-\$1.15) per piece (medium-size), or at 198 yen (\$1.65) for a plastic bag of two medium-size grapefruit.

Fresh Lemons

Fresh lemons are largely consumed through the HRI (Hotel, Restaurant and Institutional), as well as the retail sector. The consumption of fresh lemons are relatively stable compared to other fresh citrus products (fresh oranges and grapefruit). Post estimates Japanese consumption of fresh lemons for the 1998/99 marketing season to be approximately 92,000 metric tons, up by 3 percent from the 1997/98 season.

Tokyo supermarkets are currently marketing U.S. lemons at 100-128 yen (\$0.83-\$1.06) per piece (medium-size), or at 180-200 yen (\$1.50-\$1.66) for a plastic bag of three medium-size lemons.

Trade

Fresh Oranges

Japanese imports of fresh oranges are expected to drop 6 percent this year to just over 100,000 tons due to the effects of the December freeze in California, which reduced purchases of navel oranges from California during the January-March period. Navel shipments from California and Mexico ended in March and the shipments of Spanish navels continue until early May. Mexico currently ships Valencias, and shipments will continue until late May. Imports of Florida Valencias started in March and will continue until June, with a significant volume increase over the previous season. Shipments of fresh oranges from South Africa and Australia start in early

summer, and end in early fall. Traders report the Japanese market for fresh oranges will likely be fairly stable for the rest of the 1998/99 season.

Fresh Grapefruit

Japanese imports of fresh grapefruit from the United States are expected to recover in the 1998/99 season, due to a good quality crop in Florida. Post estimates Japanese imports of fresh grapefruit from the United States for the 1998/99 marketing season will top 200,000 metric tons, up 10 percent from the 1997/98 season. Imports from Florida will likely exceed 10 million cartons (170,000 metric tons), up roughly 15 percent from the year before. Taste of Florida grapefruits has been excellent this season, with high Brix levels.

Imports of Israeli grapefruit ("Sweetie" variety), the top competitor to U.S. grapefruit in Japan, were reduced to 870,000 cartons (14,700 metric tons) in 1998/99, down 38 percent from 1997/98. Japanese trade sources report that market demand for the Sweetie is normally about one million cartons (17,000 metric tons). Cuba, participating in the Japanese grapefruit market for the first time in more than 20 years, supplied 422 metric tons of fresh grapefruit during the October-December period.

Fresh Lemons

Japanese imports of fresh lemons continue stable, with imports from the U.S. totaling 31,800 metric tons so far in MY 1998/99 for the October-February period, down 3.8% from the previous year. The United States supplies roughly 90 percent of Japan's total imports of fresh lemons, with Chile, Australia and South Africa accounting for the remainder. Growers in Chile have been stepping up competitive pressure in recent years.

Marketing

Fresh Oranges

Market promotional activities normally start in the fall as new crop oranges arrive in the Japanese market. Full-scale promotional activities take place in January at retail outlets and supermarkets, when California navels enter their peak marketing period. However, promotional activities for California navels were somewhat quiet this season, due to reduced shipments of navels during the January-February period.

Aggressive market promotions for Florida Valencias are currently under way, with the assistance of POP materials supported by FAS market development funding. Florida Valencias are still new to many consumers in Japan, and the promotional activities are reportedly having a major impact on sales. While still accounting for a tiny share of the total Japanese orange market, Florida Department of Citrus (FDOC) reports that Florida Valencias have already reached a 50,000 cartons (850 metric tons) this season and are expecting sales top 100,000 cartons (1,700 metric tons) for the full season. Annual sales for Florida Valencias in the Japanese market is typically less than 20,000 cartons (340 metric tons.)

Promotional activities for Spanish oranges are less extensive than for U.S. products. However, in their third marketing season in Japan, the reputation and awareness of Spanish oranges as a product with good quality and appearance is growing among Japanese traders and consumers. Spanish oranges entered their third marketing season in Japan and have good potential for expansion in the near future.

Fresh Grapefruit

Market promotional activities for U.S. fresh grapefruit started in the fall with California and Arizona products. Like U.S. fresh oranges, promotions for U.S. grapefruit are commonly held at retail stores and supermarkets,

with the assistance of POP materials and sample tasting events. The prime time for promotions of U.S. fresh grapefruit is April and May, when the taste of Florida grapefruit matures with good sugar content during this time period.

In mid April, FDOC launched a major promotional event at Tokyo's supermarket, featuring the "Giant Grapefruit" display, which is filled with more than 1,000 cartons of fresh grapefruit (a full load of 40-foot ocean freight container.) Ag. Affairs/Tokyo participated in the opening event and the event was reportedly successful. FDOC reported that the store sold 900 cartons (15.3 metric tons) of fresh Florida grapefruit in the two-day event. FDOC also held similar promotional activities in various regional supermarkets. Sales of U.S. grapefruit have dramatically improved (approximately 270% from the previous season) in the coastal region of the Sea of Japan.

Consumption, Trade & Marketing

Orange Juice

Japanese consumption of orange juice for the 1997/98 marketing year was 103,000 metric tons (based on 1/5 concentrate at 65 degree Brix,) up approximately 15 percent from the previous year due largely to the increased consumption of fruit juice-base drinks. Post estimate of Japan's consumption of orange juice for the full 1998/99 season is revised to 105,100 metric tons, up marginally from the previous season. Post foresees that demand for fruit juice-base drinks will continue to grow this marketing season. According to Japan Soft Drink Processors Association, sales of fruit juice-base drinks were up 13.3 percent in CY 1998 over the previous year. Sales of drinks called "near water" (drinks that are mostly water with minimal amounts of fruit juice) have been particularly strong. Sales of 100% pure fruit juice are mostly unchanged.

Brazil is a key supplier of orange juice to the Japanese market, with 50,866 kiloliters of FCOJ (Frozen Concentrated Orange Juice) in CY 1998, valued at approximately \$90 million (CIF.) Imports of FCOJ from Brazil in CY 1998 was down approximately 10 percent in volume terms over the previous year due to the poor orange crop in Brazil. Imports of orange juice (FCOJ) from the United States in CY 1998 were 16,000 kiloliters, up 25 percent from the previous year, valued at \$32 million (CIF.) The United States was the top supplier of single-strength orange juice to the Japanese market, with 3,360 kiloliters in CY 1998, valued at \$3.5 million. Average import prices (CIF) of FCOJ in CY 1998 were \$1.68 and \$2.00 per liter (based on 1/5 concentrate at 65 degree Brix) for Brazil and U.S., respectively.

PS&D Tables and Trade Matrices

Fresh Orange PS&D Table

PSD Table						
Country:	Japan					
Commodity:	Oranges					
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin		10/1996		10/1997		10/1998
Area Planted	2010	2100	1920	1920	1750	1750
Area Harvested	2070	2070	1900	1900	1730	1730
Bearing Trees	1242	1242	1140	1140	1038	1038
Non-Bearing Trees	54	54	36	36	36	36
TOTAL No. Of Trees	1296	1296	1176	1176	1074	1074
Production	25	25	24	24	23	23
Imports	171	171	138	151	140	142
TOTAL SUPPLY	196	196	162	175	163	165
Exports	0	0	0	0	0	0
Fresh Dom. Consumption	194	194	160	173	161	163
Processing	2	2	2	2	2	2
TOTAL DISTRIBUTION	196	196	162	175	163	165

Orange Juice PS&D Table

PSD Table						
Country:				60	Degrees Brix	
Commodity:						
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin						
Deliv. To Processors	2	2	2	2	2	2
Beginning Stocks	5000	5000	5000	5000	10000	15000
Production	100	200	200	200	100	100
Imports	88400	88400	98100	112800	90000	100000
TOTAL SUPPLY	93500	93600	103300	118000	100100	115100
Exports	0	0	0	0	0	0
Domestic Consumption	88500	88600	93300	103000	95100	105100
Ending Stocks	5000	5000	10000	15000	5000	10000
TOTAL DISTRIBUTION	93500	93600	103300	118000	100100	115100

Fresh Orange Export Trade Matrix

Export Trade Matrix			
Country:		Units:	Metric Tons
Commodity:			
Time period:	Oct-Sept		
Exports for	1996		1997
U.S.	0	U.S.	14
Others		Others	
Taiwan	1	Taiwan	1
Guam	1	Hong Kong	6
Total for Others	2		7
Others not listed			
Grand Total	2		21

Fresh Orange Import Trade Matrix

Import Trade Matrix			
Country:		Units:	Metric Tons
Commodity:			
Time period:	Oct-Sept		
Imports for	1996		1997
U.S.	147725	U.S.	129749
Others		Others	
Spain	518	Spain	892
Chile	125	Mexico	572
South Africa	10355	Chile	25
Swaziland	218	South Africa	13016
Australia	12127	Swaziland	757
New Zealand	19	Australia	5491
Total for Others	23362		20753
Others not listed			
Grand Total	171087		150502

Fresh Orange Wholesale Price Table

Prices Table			
Country:			
Commodity:			
Year:	1998		
Prices in (currency)	Yen	per (uom)	KG
Year	1997	1998	% Change
Jan	214	193	-9.8%
Feb	193	188	-2.6%
Mar	173	190	9.8%
Apr	185	205	10.8%
May	208	220	5.8%
Jun	182	206	13.2%
Jul	178	197	10.7%
Aug	185	189	2.2%
Sep	179	188	5.0%
Oct	148	219	48.0%
Nov	149	247	65.8%
Dec	194	234	20.6%

Fresh Grapefruit PS&D Table

PSD Table						
Country:	Japan					
Commodity:	Fresh Grapefruit					
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin		10/1996		10/1997		10/1998
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	0	0	0	0	0	0
Imports	281	281	218	230	250	250
TOTAL SUPPLY	281	281	218	230	250	250
Exports	0	0	0	0	0	0
Fresh Dom. Consumption	281	281	218	230	250	250
Processing	0	0	0	0	0	0
TOTAL DISTRIBUTION	281	281	218	230	250	250

Fresh Grapefruit Import Trade Matrix

Import Trade Matrix			
Country:		Units:	Metric Tons
Commodity:			
Time period:	Oct-Sept		
Imports for	1996		1997
U.S.	225866	U.S.	185929
Others		Others	
China	7	Israel	23650
Israel	20771	South Africa	14077
South Africa	23257	Swaziland	6268
Swaziland	11369		
New Zealand	16		
Total for Others	55420		43995
Others not listed			9
Grand Total	281286		229933

Fresh Grapefruit Wholesale Price Table

Prices Table			
Country:			
Commodity:			
Year:	1998		
Prices in (currency)	Yen	per (uom)	KG
Year	1997	1998	% Change
Jan	161	138	-14.3%
Feb	157	126	-19.7%
Mar	159	147	-7.5%
Apr	163	160	-1.8%
May	160	162	1.2%
Jun	150	159	6.0%
Jul	147	156	6.1%
Aug	139	166	19.4%
Sep	105	168	60.0%
Oct	108	233	115.7%
Nov	168	195	16.1%
Dec	160	150	-6.2%

Fresh Lemon PS&D Table

PSD Table						
Country:	Japan					
Commodity:	Fresh Lemons					
		1996		1997		1998
	Old	New	Old	New	Old	New
Market Year Begin		10/1996		10/1997		10/1998
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Bearing Trees	0	0	0	0	0	0
Non-Bearing Trees	0	0	0	0	0	0
TOTAL No. Of Trees	0	0	0	0	0	0
Production	2	2	2	2	2	2
Imports	94	88	79	87	80	90
TOTAL SUPPLY	96	90	81	89	82	92
Exports	0	0	0	0	0	0
Fresh Dom. Consumption	96	90	81	89	82	92
Processing	0	0	0	0	0	0
TOTAL DISTRIBUTION	96	90	81	89	82	92

Fresh Lemon Import Trade Matrix

Import Trade Matrix			
Country:		Units:	Metric Tons
Commodity:			
Time period:	Oct-Sept		
Imports for	1996		1997
U.S.	79181	U.S.	77530
Others		Others	
Iran	1	Spain	17
Mexico	17	Mexico	15
Chile	2834	Chile	4708
Nambia	11	South Africa	1791
South Africa	3641	Australia	2022
Australia	2072	New Zealand	488
New Zealand	390		
Total for Others	8966		9041
Others not listed			
Grand Total	88147		86571

Fresh Lemon Wholesale Price Table

Prices Table			
Country:			
Commodity:			
Year:	1998		
Prices in (currency)	Yen	per (uom)	KG
Year	1997	1998	% Change
Jan	225	189	-16.0%
Feb	201	188	-6.5%
Mar	168	183	8.9%
Apr	222	195	-12.2%
May	346	224	-35.3%
Jun	456	318	-30.3%
Jul	440	398	-9.5%
Aug	393	401	2.0%
Sep	369	353	-4.3%
Oct	354	355	0.3%
Nov	245	310	26.5%
Dec	179	243	35.8%

Trade Tables

Fresh Orange Imports for the October-February Period

0805.10-000 (Fresh Oranges)						
	1997	1998		1998	1999	
MT	10-12	1-2	10/97-2/98	10-12	1-2	10/98-2/99
--World--	15,271	14,855	30,126	15,234	6,366	21,600
United States	8,817	14,720	23,537	10,934	6,140	17,074
South Africa	3,806	0	3,806	0	0	0
Australia	2,391	0	2,391	4,257	0	4,257
Spain	0	134	134	0	0	0
Mexico	0	0	0	0	226	226
Swaziland	257	0	257	0	0	0
New Zealand	0	0	0	43	0	43
Chile	0	0	0	0	0	0

Fresh Grapefruit Imports for the October-February Period

0805.40-010 (Fresh Grapefruit)						
	1997	1998		1998	1999	
MT	10-12	1-2	10/97-2/98	10-12	1-2	10/98-2/99
--World--	43,423	41,367	84,790	43,391	32,507	75,898
United States	21,973	37,186	59,159	30,082	30,629	60,711
Israel	19,470	4,180	23,650	12,886	1,861	14,747
South Africa	1,172	0	1,172	0	0	0
Swaziland	807	0	807	0	0	0
Cuba	0	0	0	422	0	422
New Zealand	0	0	0	0	0	0

Fresh Lemon Imports for the October-February Period

0805.30-010 (Fresh Lemons)						
	1997	1998		1998	1999	
MT	10-12	1-2	10/97-2/98	10-12	1-2	10/98-2/99
--World--	20,447	13,095	33,542	19,504	12,601	32,105
United States	20,040	13,095	33,135	19,265	12,601	31,866
Chile	214	0	214	66	0	66
Australia	102	0	102	0	0	0
South Africa	79	0	79	0	0	0
New Zealand	13	0	13	173	0	173
Spain	0	0	0	0	0	0
Mexico	0	0	0	0	0	0

Orange Juice Import Trade Matrix

2009.11-290 (Orange Juice - Concentrated - Frozen)			
KL	CY 1996	CY 1997	CY 1998
--World--	51,685	53,752	51,031
United States	11,825	12,826	16,032
Brazil	37,474	39,491	33,508
Israel	1,273	523	54
Mexico	0	301	1,185
Others	1,113	611	252
2009.19-290 (Orange Juice - Concentrated - Not Frozen)			
KL	CY 1996	CY 1997	CY 1998
--World--	17,343	18,008	18,075
United States	72	831	20
Brazil	17,098	17,065	17,358
Others	173	112	697
2009.11-210 (Orange Juice - Single Strength - Frozen)			
KL	CY 1996	CY 1997	CY 1998
--World--	5,406	4,803	3,155
United States	4,048	3,192	2,766
Brazil	541	1,206	28
Australia	292	0	0
Italy	189	403	341
Others	336	2	20
2009.19-210 (Orange Juice - Single Strength - Not Frozen)			
KL	CY 1996	CY 1997	CY 1998
--World--	8,790	3,182	1,547
United States	7,225	2,036	594
Australia	1,259	1,090	910
Others	306	56	43